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Corp report

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ANNUAL REPORT for 1967

**VICTORIA AND GREY
TRUST COMPANY**

Established 1889

VICTORIA and GREY TRUST company

ANNUAL REPORT

BOARD OF DIRECTORS

J. R. Anderson, Q.C.

E. D. Bell, Q.C.

K. B. Clysdale

* E. N. Cooper

* S. A. Flavelle

* C. G. Fleming

G. D. Fleming

* J. G. Fraser

* Hon. L. M. Frost, Q.C.

W. H. Gregory

A. G. S. Griffin

* Hon. Walter Harris, Q.C.

A. E. Hick

S. K. Ireland

Dr. H. B. Kenner

Col. T. A. Kidd

* W. B. Lemon

W. A. Macdonald

* H. J. McLaughlin, Q.C.

R. N. McLaughlin

W. L. Moore, Q.C.

Dr. G. A. Morton

* F. G. Perrin

B. J. Sibold

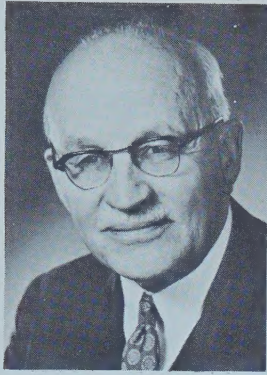
J. R. Sinclair

* R. H. Soward, Q.C.

K. W. Taylor

Ivor Wagner

*—Members of Executive Committee



H. J. McLaughlin, Q.C.

OFFICERS

CHAIRMAN OF THE BOARD
H. J. McLaughlin, Q.C.

PRESIDENT

Hon. Walter Harris, Q.C.



Hon. Walter Harris, Q.C.

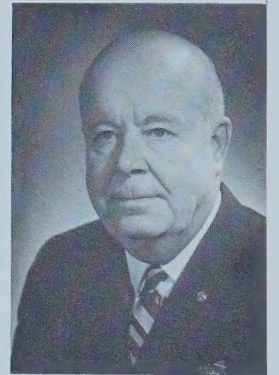


R. R. Merifield, Q.C.

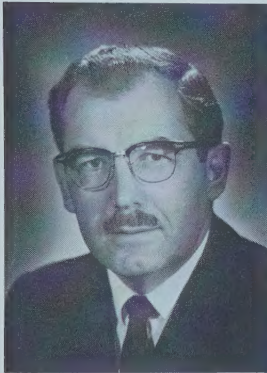
VICE-PRESIDENTS

E. N. Cooper
S. A. Flavelle
J. G. Fraser
F. G. Perrin

VICE-PRESIDENT AND GENERAL MANAGER
R. R. Merifield, Q.C.



G. E. Phelps



E. M. Malcolm

ASSISTANT GENERAL MANAGER
AND TREASURER
G. E. Phelps

ASSISTANT GENERAL MANAGERS
E. M. Malcolm
W. H. Somerville

SECRETARY

R. G. Thomas, Q.C.

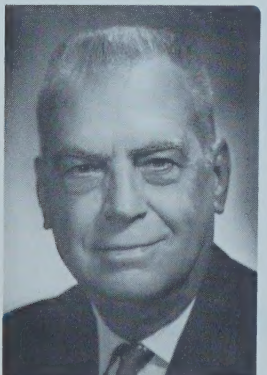
COMPTROLLER

J. R. Anderson, C.A.

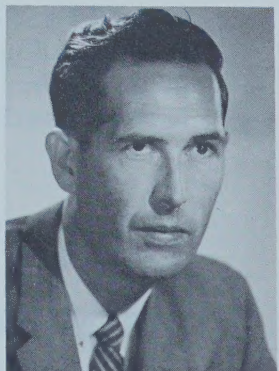
CHIEF ACCOUNTANT
F. C. Pugh, C.A.



W. H. Somerville



R. G. Thomas, Q.C.



J. R. Anderson, C.A.

1967 ADVISORY COMMITTEES

OWEN SOUND

J. G. Fraser, Chairman
E. N. Cooper
D. F. Cowling
C. G. Fleming
W. B. Lemon
Ivor Wagner

PETERBOROUGH

J. R. Sinclair, Chairman
Dr. W. S. Fitzpatrick
H. S. Matthews
Hugh Waddell

LINDSAY

F. G. Perrin, Chairman
S. A. Flavelle
A. E. Hick
W. J. Shields
R. H. Soward, Q.C.

BELLEVILLE

Dr. G. A. Morton, Chairman
G. A. Freeman
W. L. McDougall
J. N. Yanover

HANOVER

G. K. Crockford
A. J. McNab
Arthur Newell

ORILLIA

W. L. Moore, Q.C., Chairman
T. G. Beament
H. E. M. Payne
R. W. Smith
J. N. Spencer

KINGSTON

Col. T. A. Kidd, Chairman
J. R. Henderson
*L. H. Leach
R. C. Oaks
G. G. Thomson
W. Leslie Wilmot

STRATFORD

Dr. H. B. Kenner, Chairman
J. R. Anderson, Q.C.
W. H. Gregory
S. K. Ireland
B. J. Sibold

GODERICH

Daniel Murphy, Chairman
E. B. Menzies
J. K. Sully

TORONTO MAIN OFFICE

R. H. Soward, Q.C., Chairman
A. E. Hick
W. A. Macdonald

*Deceased.

TO OUR SHAREHOLDERS

Our Company, Guaranteed and Estates and Agency accounts, grew during the year from \$315,205,000 to \$334,999,000. Profits after provision for taxes increased from \$1,546,238 to \$1,676,910. By reason of the extra expenses incurred in opening the principal Toronto office this increase was less than normally would be expected.

The demand for money by governments and business in 1967 was so great that interest rates rose to record heights in Canada and the United States. In addition, there was an aggressive drive by financial institutions in Canada for deposit money. Despite this vigorous competition, our Deposits and Guaranteed Certificates increased by over \$16,000,000.

Mortgage repayments have been heavy, and in the first six months of our year, about equalled the amounts being loaned on mortgages. In the last six months mortgage commitments have been at a high level with a wide range of applications for residential and commercial loans, and we have advanced substantially more than received on repayments.

We have continued realizing on the assets of the British Mortgage & Trust Company and this is reflected in the reduction of the amount of the "excess of assets, etc." item in the balance sheet. We have still retained allowances for losses which may occur on the disposal of the remainder of the doubtful assets.

It should be noted that we have again set aside as a mortgage reserve the largest amount permitted for income tax purposes. At our present growth rate, our mortgage portfolio may reach the point in 1970 when further large tax-free deductions may not be permitted.

The year has brought us a new General Manager, Mr. R. R. Merifield, Q.C., whose previous experience in law, business and trust work will be of great value to us. He has been "getting acquainted", and is now looking forward to guiding the expansion of our services which we touched upon in our last annual report.

Our Centennial Project was the opening of our principal Toronto office which was a significant event in the history of the Company. We believe that our Toronto business will steadily increase and that the additional services now being made available will be an important factor in the growth of the Company.

We regret to note the passing of Mr. G. D. McLauchlan of Owen Sound, a Director from 1928 to 1966 and an Honorary Director from 1966 to his death this year. Mr. McLauchlan's advice and counsel were most helpful and constructive and will be missed.

It is apparent that we should continue to be cautious in making investments during the coming year. The high cost of money will continue to influence our operations through 1968.

We sincerely thank the General Manager and Staff for their friendly and efficient attention to their duties in 1967.

H. J. McLauchlin, Q.C.
Chairman of the Board

Walter E. Harris, Q.C.
President

VICTORIA AND GR

BALANCE SHEET

COMPAN**ASSETS**

	1967	1966
Cash	\$ 684,489	317,973
Bonds	4,665,869	2,571,540
Stocks	8,246,286	8,166,088
Mortgages	997,153	1,223,108
Advances to estates and trusts	28,730	57,611
Income taxes recoverable	758,065	
Office premises, at cost less depreciation	3,858,100	3,785,573
Excess of cost of assets acquired upon amalgamation over amounts allocated to assets included in other balance sheet classifications (note 1)	2,256,318	5,158,873
Refundable tax	33,238	32,503
Other assets	59,384	79,786
	<u>\$ 21,587,632</u>	<u>21,393,055</u>

GUARANT

Cash	\$ 3,980,309	3,528,483
Bonds		
Government and Provinces of Canada	37,911,802	39,619,400
Municipal	3,498,138	3,634,527
Other	<u>4,753,451</u>	<u>4,235,307</u>
	<u>\$ 46,163,391</u>	<u>47,489,234</u>
Short-term notes	1,800,000	1,800,000
Collateral loans	2,462,095	2,449,990
Mortgages	<u>216,464,053</u>	<u>197,441,491</u>
Investment in real estate, at cost less depreciation	—	314,022
Real estate held for sale	<u>443,337</u>	<u>2,148,358</u>
	<u>\$271,313,185</u>	<u>255,171,578</u>
Total Assets — Company and Guaranteed Funds	<u>\$292,900,817</u>	<u>276,564,633</u>

ASSETS UNDER ADMINISTRATION

Cash, securities and other assets held for estates, trusts and agencies	\$ 42,098,442	38,640,375
Total Assets — Company and Guaranteed Funds	<u>292,900,817</u>	<u>276,564,633</u>
	<u>\$334,999,259</u>	<u>315,205,008</u>

APPROVED ON BEHALF OF THE BOARD

H. J. McLaughlin, Q.C.,

Chairman of the Board

W. E. Harris, Q.C.,

President

TRUST COMPANY

OCTOBER 31

FUNDS

LIABILITIES

	1967	1966
Preference dividend payable November 1	\$ 66,876	66,876
Income taxes payable	—	969,954
Mortgage reserve	5,140,238	4,113,086
Capital stock		
Preference shares, cumulative, redeemable		
Authorized — 200,000 shares, par value \$50 each		
Issued — 100,000 shares 5.35% Series A		5,000,000
Common shares		
Authorized — 5,000,000 shares, par value \$2 each		
Issued — 1,391,062 shares	2,782,124	2,782,124
	\$ 7,782,124	7,782,124
General reserve	8,375,000	8,250,000
Undivided profits	223,394	211,015
	<u>\$ 21,587,632</u>	<u>21,393,055</u>

D FUNDS

Trust deposits	\$ 68,726,231	66,120,694
Guaranteed investment certificates	202,586,954	189,050,884

	<u>\$271,313,185</u>	<u>255,171,578</u>
Total Liabilities — Company and Guaranteed Funds	<u>\$292,900,817</u>	<u>276,564,633</u>

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the balance sheet of Victoria and Grey Trust Company as at October 31, 1967. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the accompanying balance sheet presents fairly the financial position of the company as at October 31, 1967. We approve the change in basis of valuation of government bonds as set out in note 2.

GAVILLER & COMPANY
Chartered Accountants

THORNE, GUNN, HELLIWELL & CHRISTENSON
Chartered Accountants

Lindsay, Ontario, November 23, 1967

STATEMENT OF UNDIVIDED PROFITS

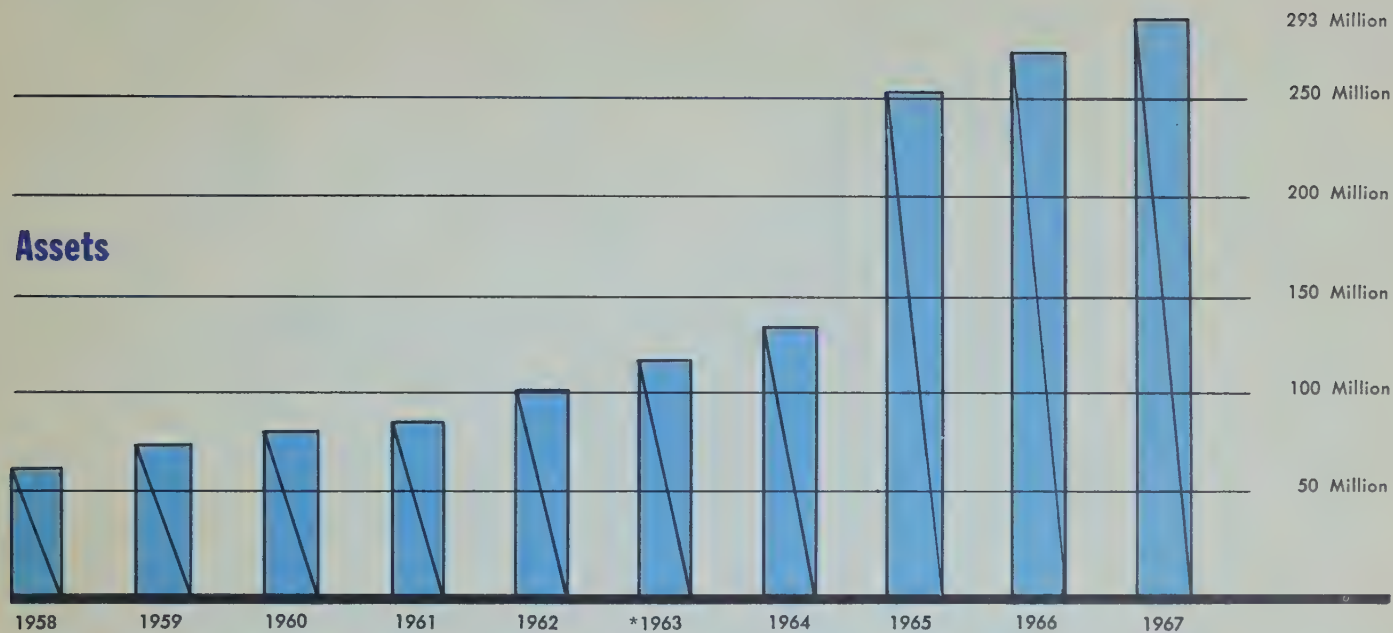
	1967	1966
Profit for the year before income taxes	\$ 2,912,890	2,899,866
Provision for income taxes	1,235,980	1,353,628
Net profit for the year	\$ 1,676,910	1,546,238
Undivided profits from previous year	211,015	141,521
	<u>\$ 1,887,925</u>	<u>1,687,759</u>
Appropriations:		
Transfer to mortgage reserve	\$ 1,027,153	968,348
Less — applicable reduction in income taxes	534,120	503,541
	<u>\$ 493,033</u>	<u>464,807</u>
Transfer to general reserve	125,000	303,740
	<u>\$ 618,033</u>	<u>768,547</u>
Balance after appropriations	<u>\$ 1,269,892</u>	<u>919,212</u>
Dividends to shareholders		
Preference	\$ 267,503	186,518
Common	778,995	521,679
	<u>\$ 1,046,498</u>	<u>708,197</u>
Undivided profits carried forward	<u>\$ 223,394</u>	<u>211,015</u>

NOTES TO FINANCIAL STATEMENTS

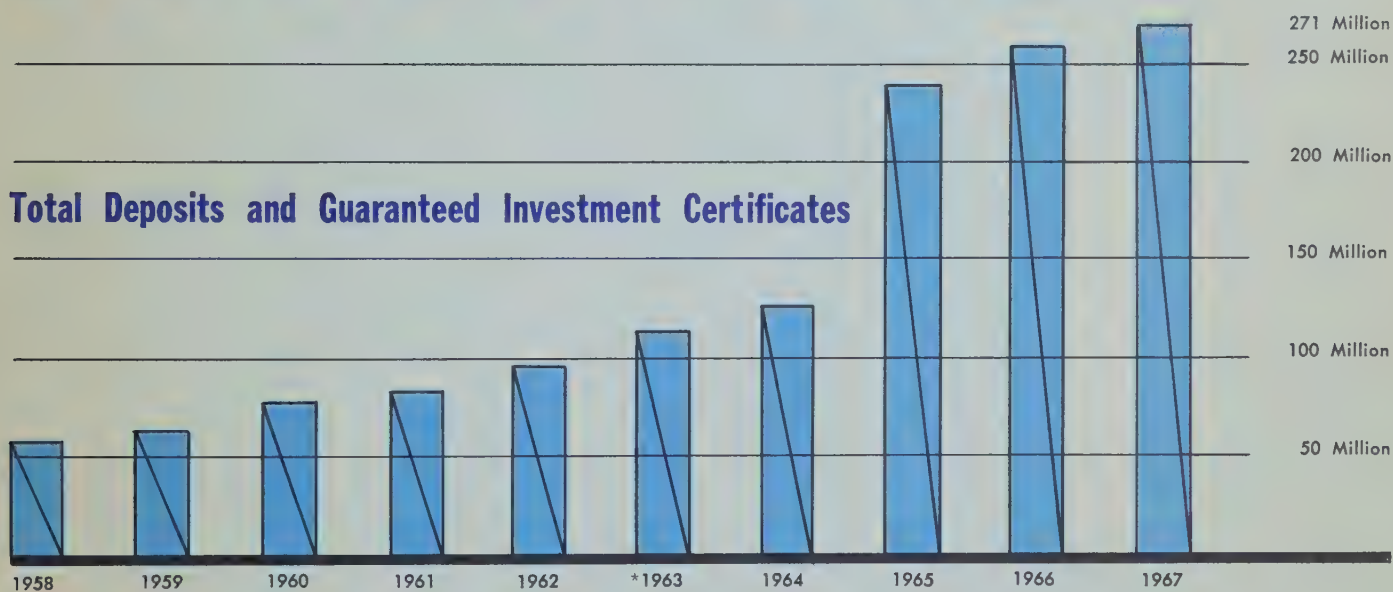
1. The consideration given for the net assets acquired upon amalgamation in 1965 exceeded the amounts then allocated to tangible assets by \$5,158,873. This amount was reduced in 1967 to \$2,256,318 to reflect the results from the realization of certain of these tangible assets and a reduction in the allowance for losses in respect of those not yet realized. To the extent that the reduced amount is not recovered upon realization, it will be charged against future earnings.
2. At October 31, 1966 bonds and stocks held for Company and Guaranteed Funds were shown at amounts which in total did not exceed quoted market value. As at October 31, 1967, the basis of valuation of government and provinces of Canada bonds was changed from cost (\$41,903,599) to amortized cost (\$42,151,361). Their market value at October 31, 1967 was \$38,397,500. The adjustment resulting from the change in basis of valuation was added to investment reserve. All other Bonds and stocks are shown at amounts which in total do not exceed quoted market value.
3. Municipal and other bonds, short-term notes, stocks, collateral loans, mortgages and real estate held for sale are reflected in the balance sheet at the amounts remaining after deducting allowances for losses on realization.

10 YEAR RECORD OF GROWTH

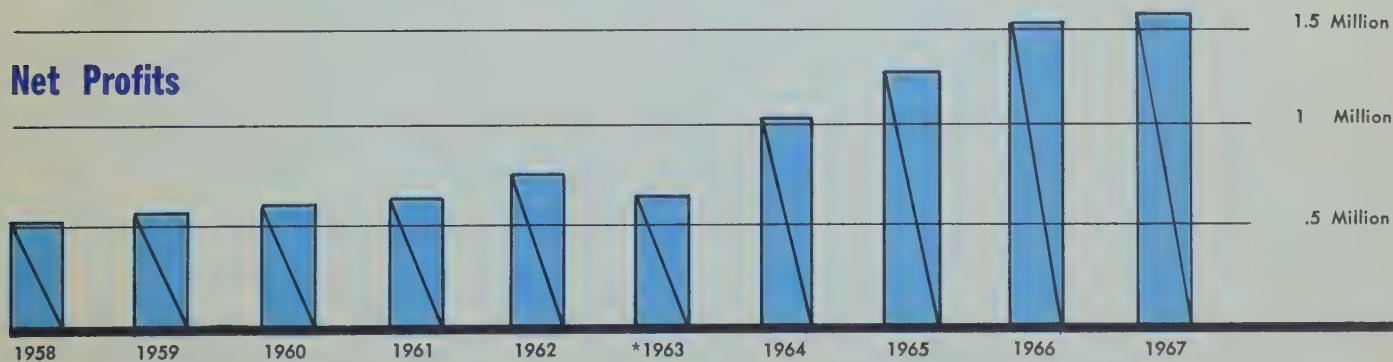
Assets



Total Deposits and Guaranteed Investment Certificates



Net Profits



* 10 Months only — year end changed from December 31 to October 31



GEORGIAN
BAY

LAKE HURON

* OWEN SOUND

* MEAFORD

ORILLIA *

* HANOVER

*
NEWMARKET

*
RICHMOND HILL

* GODERICH

* LISTOWEL

* BRAMPTON

TORONTO (5)

PORT CREDIT *

* EXETER

* STRATFORD

* ST. MARYS

LAKE ERIE

RENFREW *

25 offices in Ontario
to Serve You

* LINDSAY

* PETERBOROUGH

NNINGTON

BELLEVILLE *

KINGSTON *

WHITBY



197 Bay Street
Our
PRINCIPAL
TORONTO OFFICE
— Opened
April 27, 1967

BRANCHES AND BRANCH MANAGERS

BRANCH	ADDRESS	MANAGER
BELLEVILLE	175 Front Street	J. G. Mosley
BRAMPTON	11 Main St. South	E. R. Rowlands
CANNINGTON	Cameron Street	W. G. Laird
EXETER	425 Main Street	A. J. Loader
GODERICH	100 Kingston St.	W. R. Curry
HANOVER	255 - 10th St.	T. G. Fyfe
KINGSTON	168 Wellington St.	G. H. Trill
LINDSAY	85 Kent St. West	B. C. Maidens
LISTOWEL	Main St. East	C. I. Stief
MEAUFORD	2 Trowbridge St.	C. R. Brown
NEWMARKET	198 Main St.	L. J. Ruby
ORILLIA	12 West St. North	R. C. Puffer
OWEN SOUND	857 Second Ave. East	K. D. Johnston
PETERBOROUGH	437 George St. North	R. E. P. Walker
PORT CREDIT	36 Lakeshore Road East	M. E. Weber
RENFREW	228 Raglan St. South	C. C. Fitzgerald
RICHMOND HILL	121 Yonge St. North	M. N. Foyle
ST. MARYS	31 Queen St. East	C. V. Barrett
STRATFORD	1 Ontario St.	W. H. Somerville
TORONTO	197 Bay St.	R. R. Swanson
	2262 Bloor St. West	D. F. Hiller
	635 College St.	J. T. Maslen
	1520 Danforth Ave.	D. J. Bensette
	1887 Eglinton Ave. West	F. P. DeProfio
WHITBY	308 Dundas St. West	G. T. W. Whattam

HEAD OFFICE

85 KENT ST. WEST

LINDSAY, ONTARIO

OUR SERVICES

Victoria and Grey offers a complete and diversified range of Personal and Corporate Trust Services, Our Services Include

REGULAR SAVINGS ACCOUNTS

4% interest. Reasonable chequing privileges and no service charges. We provide special, addressed and postage paid, "Deposit-by-Mail" envelopes.

SPECIAL SAVINGS ACCOUNTS

4½% is calculated on the minimum monthly balance and added to the account half-yearly on April 30 and October 31. Withdrawals may be made at any time in person or by mail.

GUARANTEED INVESTMENT CERTIFICATES

An excellent short-term investment, unconditionally guaranteed by the Company. Interest is payable half-yearly or may be left to accumulate at compound interest. You may also purchase these certificates on a monthly payment plan.

RETIREMENT SAVINGS PLAN

If you are self-employed or contribute less than 20% of your earned income to a registered pension plan, your deposits to this plan for the purchase of a pension are tax exempt. (Maximum contributions for self-employed — \$2,500; for employees — \$1,500) — these amounts are not affected by the Canada Pension Plan.

INVESTMENT FUND

The Victoria and Grey Investment Fund is composed mainly of common stocks chosen for their growth potential. You may invest in the fund at anytime or withdraw any amount as of any valuation date on the last day of each month. There is no sales commission and no withdrawal fee to pay. Units are allotted and redeemed at the net asset value.

MORTGAGE LOANS

Custom Tailored mortgages on residential property, well located commercial property, and on good improved farms at current interest rates. Payment plans may be as long as 25 years and the loan may be as much as 75% of value — depending on the age, condition and type of property.

COLLATERAL LOANS

On the security of approved stocks, bonds and debentures and on Trust Company Guaranteed Investment Certificates.

ESTATES

As executor or administrator of Estates this Company provides the knowledge and experience necessary for efficient administration.

TRUSTEE AND AGENTS

For those too busy or unable to look after their own real estate, mortgages or other investments or the assets of estates of which they are the executor.

CORPORATE TRUST SERVICES

Trustee for Pension Plans, Profit Sharing, Welfare Plans, Cemetery Funds and Bond Issues. Transfer Agent and Registrar, Dividend Paying Agent, Escrow Agent.

SAFETY DEPOSIT VAULTS

Safety Deposit Boxes at modest cost for securities and valuable documents.

MONEY ORDERS AND TRAVELLERS' CHEQUES

Issued in Canadian, Sterling or U.S. Funds, for use in Canada or throughout the world.

*You are invited to obtain more detailed information on our services
at any Victoria and Grey Office.*

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